

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4291-06  
Bill No.: HCS for SS for SCS for SB 467  
Subject: Federal-State Relations; State Departments  
Type: Original  
Date: April 16, 2012

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Bill Summary: This proposal requires agencies that receive federal grants to track and disclose the usage of the funds and the Governor to report withholdings.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **Section 33.087 Reporting Federal Grants on MAP**

Officials at the **Office of Administration** assume that a consolidated approach would be the most cost effective manner of reporting and that this information be accumulated and reported on the Missouri Accountability Portal (MAP). This approach would establish a new MAP database table into which agencies will either interface data or perform maintenance online. With this method, a new tab and web pages would be added to MAP to display the data by selecting a state agency or "all". The fiscal note does not specify whether only active grants should be reported or if closed grants should be retained for historical reporting purposes. If historical data is needed, selection criteria should be added to choose active, closed, or "all" grants. The data would also be made available in the MAP download section.

The time estimates below are based on four assumptions

1. Data will be collected and reported on the Missouri Accountability Portal.
2. The statement "...an accounting of how the transferred funds were used" does not imply that detail payment information to vendors is needed.
3. Development and installation of a state-wide grant reporting tool is not required.
4. Agencies will submit their own estimates for any staffing needed to collect and record the grant information in MAP.
5. A new tab will be added to the MAP site containing links to stored files that are received by OA from public institutions of higher education and political subdivisions containing the information on bond issuances and/or obligations incurred.

Time Estimate: Create new database, online update windows, and working with agencies that choose to interface the information to MAP from their legacy systems.

120 work hours programming

28 work hours testing

Create new MAP tab, web pages, and download

80 work hours programming

32 work hours testing

Create new MAP tab containing links to stored files received

40 work hours programming and file preparation

16 work hours testing

ASSUMPTION (continued)

It is estimated that the total cost would be \$26,860 (\$85 per hr \* 316 hrs) for IT consultants. It is assumed the cost could be absorbed unless the cumulative fiscal impact of legislation would require the request for additional funding.

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Officials at **Department of Agriculture, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations** and the **Department of Mental Health** defer to the Office of Administration for the fiscal impact.

Officials at **Alcohol and Tobacco Control, Capitol Police, Division of Fire Safety, Missouri Gaming Commission, Missouri Highway Patrol, Office of the Governor, Office of Prosecution Services, Office of the State Auditor, Office of State Courts Administrator, Office of the State Public Defender, Office of State Treasurer** and the **State Emergency Management Agency** assume there is no fiscal impact from this proposal.

In response to a previous version of this proposal, officials at the **Missouri Department of Transportation** assume the cost to prepare this information is unknown, but probably would not be significant, given the amount of reporting connected to the federal funds MoDOT receives that the department already is required to prepare and submit.

The bill states that all costs in administering the legislation shall be paid from the grant of federal funds received by the state agency, and shall not be paid by any amount of state funds appropriated to any agency. Most federal funds are intended to be expended for specific purposes. This legislation would put MoDOT out of compliance with federal regulations regarding supplanting if passed. Federal requirements do not allow for federal grant funds to pay for (a) replacing routine and/or existing State or local expenditures with the use of Federal grant funds and/or (b) using Federal grant funds for costs of activities that constitute general expenses required to carry out the overall responsibilities of State, local governments.

Officials at the **Department of Conservation** assume an unknown impact which is expected to be less than \$100,000 annually.

ASSUMPTION (continued)

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

**Oversight** assumes the agencies would be able to absorb any potential costs associated with this proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

**Section 37.850 Governor Withholding Report & University Bond Report on MAP**

Officials at the **Department of Higher Education** and the **Office of the Governor** assume there is no fiscal impact from this proposal.

**Oversight** assumes the institutions of higher education would be able to absorb any potential costs associated with this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This legislation appears to not have a fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

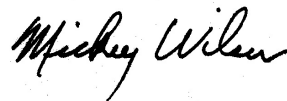
SOURCES OF INFORMATION

Alcohol and Tobacco Control  
Capitol Police  
Department of Agriculture  
Department of Conservation  
Department of Economic Development  
Department of Economic Development  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Labor and Industrial Relations  
Department of Mental Health  
Division of Fire Safety  
Joint Committee on Administrative Rules  
Missouri Department of Transportation  
Missouri Gaming Commission  
Missouri Highway Patrol  
Office of Administration  
Office of Attorney General  
Office of the Governor  
Office of Prosecution Services  
Office of the Secretary of State  
Office of the State Auditor  
Office of State Courts Administrator

JH:LR:OD

SOURCES OF INFORMATION (continued)

Office of the State Public Defender  
Office of State Treasurer  
State Emergency Management Agency

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 16, 2012